

# NEDLAC CONNECT

NEDLAC NEWSLETTER **MARCH/APRIL 2023**





# Welcome to the 2<sup>nd</sup> edition of Nedlac Connect for 2023

It is hard to believe that we are already in the third month of the year. This is the second edition of Nedlac Connect for 2023 and provides an overview on what has taken place since our last edition.

Nedlac together with government, labour, business, and community organisations continues to work on economic, labour and development issues and related challenges facing the country.

In this month's edition of Nedlac Connect, we focus on dialogue on the diesel rebate for food manufacturers; we unpack the latest Public Service legislation; and we bring to you the latest on Section 77 protest action.

We provide a report back on the Nedlac executive council meeting with Minister of Finance, Enoch Gondongwana, where he highlighted many of the factors which influenced the 2023 national budget.

Also, in this edition, we have selected some interesting media articles to keep you in the know on issues affecting the country.

You will also find a list of upcoming meetings.

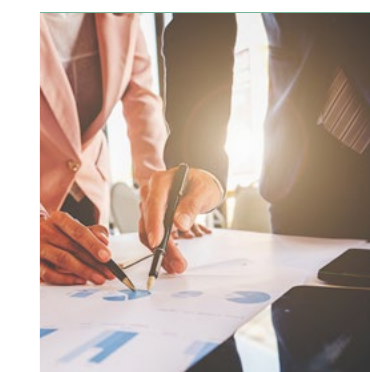
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**Enjoy the read!**





# Engagement with Minister Godongwana on National Budget

During March 2023, a Nedlac Executive Council Meeting was held to engage with Minister of Finance Enoch Gondongwana on his recently tabled National Budget.



**Nedlac executive council met with Minister of Finance Enoch Gondongwana to discuss the 2023 national budget**

The Minister provided an overview of the current budget highlighting that it was developed under difficult economic conditions which were underpinned by various global matters such as the rebound of Covid-19 and the Ukraine-Russia war. Domestic conditions such as load shedding were also contributing factors. The Minister further indicated that the expected revenue collections have been revised downwards. However, despite these challenges the budget has balanced expenditure and revenue.

It further indicated that among the issues that the budget sought to address was the promotion of economic growth while ensuring fiscal sustainability; how to reform the

economy to address the energy crisis and address structural bottlenecks that hinder economic growth; how to protect the social wage, and how to ensure physical prudence and protect the government balance sheet.

Social partners also made their input and proposal on how to address key economic challenges in South Africa. In these inputs, labour, and community particularly focused on the need to mend government and labour relations regarding the public service wage bill. It also proposed revenue collection, economic and social relief, management of state-owned entities, local government, infrastructure, corruption, and wasteful expenditure.

Business raised their concerns regarding the economic meltdown. It made several proposals for consideration for the 2023 Medium Term Budget Policy Statement (MTBPS). Its proposal includes the prioritisation of unlocking private sector investment and operations in electricity, water, rail, and ports.

This is a critical game changer to turn the economy around. In this regard, it was its view that, given progress on electricity, a key focus of the year ahead must be ports and rail.



# Diesel rebate for food manufacturers



## Good manufacturers receive rebate on fuel levy

Source: <https://southafricalists.com/food-manufacturing-companies-in-south-africa/>

Social Partners in the Nedlac Cost of Living Rapid Response Task Team (CLRRTT) had important engagements regarding these rebates to ease the pressure of the Eskom issue on food manufacturers' costs.

The social partners from organised Businesses represented by Business Unity South Africa (BUSA), who sit in the CLRRTT, comprise representatives from the retail sector, agribusinesses, and food value chain. BUSA had highlighted the high costs of diesel especially for the Fast Moving Consumer Goods ) sector

The argument made by the Business representatives was that global oil prices have increased to a 14-year high in 2022 as a result of Russia's invasion of Ukraine which has disrupted global crude flows. The wholesale cost of 0.05%

sulphur diesel increased in South Africa to a then-record high of R25.40/litre in Gauteng during July 2022 – up 68.4% year on year.

Business further argued that the Road Accident Fund (RAF) levy represents a form of double insurance and taxation. As such, there is an opportunity to introduce a rebate mechanism where individuals who have valid comprehensive third-party insurance can claim a tax rebate when they submit their annual tax returns against their fuel purchases.

To take these issues forward, Nedlac further coordinated bilaterals between Business and Government representatives from National Treasury (NT) and South African Revenue Services (SARS) to unpack a proposal of extending the diesel rebate given to the agricultural sector to to the retail and manufacturing food sector to protect food security. .

Following these engagements, a formal submission was made to SARS and NT, which was successfully considered in respect of food manufacturers.

Nedlac congratulates all social partners, specifically the Business representatives who tirelessly engaged on this matter, and the Government representatives, for their consideration.

To ease the impact of the electricity crisis on food prices, the refund on the Road Accident Fund levy for diesel used in the manufacturing process, such as for generators, will be extended to food producers and manufacturers.

This takes effect from 1 April 2023 for two years, Enoch Godongwana, Minister of Finance, announced in his Budget speech.



# New Bills tabled at Nedlac

On 15 September 2022, the Department of Public Service and Administration (DPSA) tabled amendments to the Public Administration Management Act (PAMA) and Public Service Act (PSA) at the Labour Market Chamber.

The Amendment Bills seek to address issues relating to the transfer and secondment of employees, the devolution of administrative powers from executive authorities to heads of departments, and the coordination of the mandating process for collective bargaining in public administration. It also provides for the removal of employment disparities across the public administration and a mechanism to deal with the recovery of overpayments of remuneration and benefits to government employees.

A task team was set up to consider the proposed amendments. Concerns were raised about the transfer of public servants without their consent and the limitation of their political rights, and as a result, amendments were proposed and agreed upon.

The Nedlac process was finalised with no areas of disagreement.



**Changes are underway in various bills relating to public servants**  
Source: Reuters



# Resolution on COSATU Free State dispute, green light for SAFTU strike

**The Nedlac Section 77 Standing Committee has been involved in helping to find a satisfactory solution to issues in the Free State regarding water and power supply to businesses and households in the Maluti-A-Phofung Municipality.**



**Socio-economic protest for March 20-21 will be protected under Section 77 of the LRA.**

Source: <https://neasa.co.za/saftu-protest-action-20-march-2023-2/>

Last year, on 18 July, the Congress of South African Trade Unions (COSATU) in that province served a section 77 (1)(b) notice to Nedlac regarding the threat to livelihood and job security posed by unreliable water and electricity supplies to homes and businesses in the municipality.

A meeting was convened between the Nedlac Standing Committee, the applicant, and the respondents on 15 August 2022. The Office of the Premier, Eskom, and the Department of Water

Affairs and Sanitation attended the meeting and indicated what they were doing to address this crisis. It was also agreed that a forum would be set up with all stakeholders and that regular reports backs would be given.

Key issues relating to the unavailability of electricity, despite load shedding. This is because the Maluti-a-Phofong Municipality owes Eskom billions of rands. In addition, the electricity distribution system is not functional with high levels of vandalism.

The Department of Water Affairs and Sanitation says water is available in dams but there are challenges regarding revenue collection and treatment of the water, which also requires energy to be pumped to consumers.

At the beginning of this year, Cosatu contacted the Nedlac secretariat to indicate that progress was not satisfactory. The Standing Committee has asked again for reports to be shared with Cosatu. It was agreed a Forum should be established comprising affected stakeholders to find quick-win solutions, and a report was to be shared later with Nedlac to assess if the issues had been resolved.

At a meeting on 27 February 2023 between Nedlac Secretariat and the Government representatives, it was reported that progress has been made and the distribution agreement on the electricity model is finalised. It is to be adopted and signed by the municipality.



# In the Media

## Nxesi looks to social compacts for job creation

In response to the State of the Nation debate Minister of Employment and Labour Thulas Nxesi Nxesi said there was broad agreement from all the social partners on the eight priority interventions that President Cyril Rampahosa mentioned including job creation and five or more economic sector compacts which will emerge from a comprehensive social compact.

**Source:** Business Day **Date published:** February 15, 2023

**Read the full article:** <https://nedlac.org.za/wp-content/uploads/2023/03/Nxesi-looks-to-social-compacts-for-job-creation.pdf>



## Minimum wage increase from 1 March 2023

The minimum wage of R23,19 per hour will increase to R25,42 per hour (an increase of approximately 9,6%). The new minimum sets a new baseline across all sectors, with a few exceptions of workers employed in the Expanded Public and workers with learnership agreements in terms of the Skills Development Act.

**Source:** Polity **Date published:** February 23, 2023

**Read the full article:** <https://nedlac.org.za/wp-content/uploads/2023/03/Minimum-wage-increase-from-1-March-2023.pdf>



## Total tax revenue collection increased over five years

The South African Revenue Service (SARS) has over the past five years increased the total tax revenue collection, increasing from R1 216.5 billion in 2017/18 to R1 563.8 billion in 2021/22, representing a compound annual growth rate (CAGR) of 6.5%.

**Source:** SA News.gov.za **Date published:** March 03, 2023

**Read the full article:** <https://nedlac.org.za/wp-content/uploads/2023/03/Total-tax-revenue-collection-increased-over-five-years.pdf>



## SA authorises roll out of COVID-19 boosters to fight Omicron variant

The Department of Health says additional COVID-19 vaccine booster doses are now available for eligible citizens at all active vaccination sites across the country in line with the announcement by Minister of Health, Dr Joe Phaahla, earlier this month that government has been inundated with requests from fully vaccinated members of the public, especially the most vulnerable groups, seeking to maintain and enhance their protection against current and evolving COVID-19 variants.

**Source:** <https://www.bushbuckridgenews.co.za/2023/02/06/sa-authorises-roll-out-of-covid-19-boosters-to-fight-omicron-variant/> **Date published:** 6 February, 2023

**Read the full article:** <https://nedlac.org.za/wp-content/uploads/2023/03/SA-authorises-roll-out-of-COVID-19-boosters-to-fight-Omicron-variant.pdf>



## South Africa's unemployment rate drops

Statistics South Africa has published the results of the Quarterly Labour Force Survey (QLFS) for Q4: 2022, showing a small drop in the country's unemployment rate decreasing by 0.2 of a percentage point from 32.9% in the third quarter of 2022 to 32.7% in the fourth quarter of 2022.

**Source:** BusinessTech **Date published:** February 28, 2023

**Read the full article:** <https://nedlac.org.za/wp-content/uploads/2023/03/South-Africas-unemployment-rate-drops.pdf>



## Motor industry alarmed by lack of spark on electric vehicle policy

Motor companies are furious at the government's latest failure to come up with a policy to encourage the local manufacture and sale of new energy vehicles (NEV) warning that multinational motor companies could lose faith in SA as an automotive investment destination.

**Source:** BusinessLive **Date published:** February 7, 2023

**Read the full article:** <https://nedlac.org.za/wp-content/uploads/2023/03/Motor-industry-alarmed-by-lack-of-spark-on-electric-vehicle-policy.pdf>



## COSATU Central Executive Committee statement- 23 February 2023

At its second and ordinary session of the central executive committee of the 14th National Congress, the Congress of South African Trade Unions central executive committee noted engagements taking place at Nedlac between Organised Labour, Business and Government on a variety of interventions seeking to resolve key socio-economic challenges facing society.

**Source:** Cosatu **Date Published:** February 24, 2023

**Read the full article:** <https://nedlac.org.za/wp-content/uploads/2023/03/COSATU-Central-Executive-Committee-statementt-23-February-2023.pdf>





# Upcoming meetings

## 20 March to 26 April 2023

**20 • 03 • 23: 12.00 – 15.00**  
ECONOMIC RECECOVERY  
RECONSTRUCTION PLAN  
Electricity Pricing Policy Task Team

**22 • 03 • 23 : 11.00 – 13.00**  
DEVELOPMENT CHAMBER  
Development Chamber

**22 • 03 • 23 : 14.00 – 17.00**  
TRADE AND INDUSTRY CHAMBER  
Threats to Industrialisation Task Team

**23 • 03 • 23: 10.00 – 15.00**  
TRADE AND INDUSTRY CHAMBER  
Trade and Industry Chamber

**23 • 03 • 23: 14.00 – 17.00**  
MINE HEALTH AND SAFETY  
AMENDMENT BILL TASK TEAM  
Labour Market Chamber

**24 • 03 • 23: 10.00 – 13.00**  
MANAGEMENT COMMITTEE (MANCO)  
Governance

**27 • 03 • 23: 10.00 – 13.00**  
GOVERNMENT INCENTIVES TASK TEAM  
Trade and Industry Chamber

**27 • 03 • 23 : 14.00 – 16.00**  
ELECTRICITY PRICING POLICY TASK  
TEAM  
Economic Recovery Reconstruction  
Plan

**28 • 03 • 23 : 19.00 – 11.00**  
ADMISSION POLICY FOR PUBLIC  
SCHOOLS TASK TEAM  
Development Chamber

**28 • 03 • 23 : 12.00 – 14.00**  
NORMS AND STANDARDS FOR PUBIC  
SCHOOLS INFRASTRUCTURE TASK  
TEAM  
Development Chamber

**30 • 03 • 23 : 14.00 – 17.00**  
LABOUR LAW REFORM TASK TEAM  
Labour Market Chamber

**03 • 04 • 23 : 12.00 – 15.00**  
ELECTRICITY PRICING POLICY TASK  
TEAM  
Economic Recovery Reconstruction Plan

**03 • 04 • 23 : 14.30 – 16.30**  
ENERGY SECURITY WORKSTREAM  
Economic Recovery Reconstruction Plan

**06 • 04 • 23 : 14.30 – 16.30**  
FORMS OF OWNERSHIP WORKSHOP  
Trade and Industry Chamber

**11 • 04 • 23 : 12.00 - 15.30**  
ELECTRICITY PRICING POLICY TASK  
TEAM  
Economic Recovery Reconstruction Plan

**18 • 04 • 23 : 14.30 – 16.30**  
FREIGHT AND PUBLIC TRANSPORT  
WORKSTREAM  
Economic Recovery Reconstruction Plan

**19 • 04 • 23 : 14.00 – 17.00**  
THREATS TO INDUSTRIALISATION TASK  
TEAM  
Trade and Industry Chamber

**20 • 04 • 23 : 10.00 – 15.00**  
TRADE AND INDUSTRY CHAMBER  
Trade and Industry Chamber

**21 • 04 • 23 : 10.00 – 15.00**  
MANAGEMENT COMMITTEE (MANCO)  
Governance

**24 • 04 • 23 : 10.00 – 13.00**  
GOVERNMENT INCENTIVES TASK TEAM  
Trade and Industry Chamber

**26 • 04 • 23 : 10.00 – 13.00**  
LABOUR LAW REFORM TASK TEAM  
Labour Market Chamber



# ABOUT US

The National Economic Development and Labour Council (Nedlac) is the vehicle by which Government, labour, business and community organisations seek to cooperate, through problem-solving and negotiation, on economic, labour and development issues and related challenges facing the country.

## USEFUL LINKS

- ▶ [Nedlac Act](#)
- ▶ [Nedlac Constitution](#)

CONNECT WITH US AND  
SHARE YOUR VIEWS.  
WE WOULD LOVE TO  
HEAR FROM YOU.

## YOU CAN CONTACT US ON:

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